

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
BHF CHICAGO HOUSING GROUP B, LLC)	Case No. 20-12453
(ICARUS))	
)	Hon. Jack B. Schmetterer
Debtor.)	
)	

**NOTICE OF APPLICATION TO AUTHORIZE THE RETENTION AND
EMPLOYMENT OF CLARK HILL PLC AS BANKRUPTCY COUNSEL**

PLEASE TAKE NOTICE that on **July 14, 2020 at 10:30 a.m.** (prevailing Central Time) or as soon thereafter as counsel may be heard, we shall appear before the Honorable Jack B. Schmetterer in Courtroom 682 in the United States Courthouse, 219 South Dearborn Street, Chicago, Illinois, or before any other judge who may be sitting in his place and stead, and present the *Application to Authorize the Retention and Employment of Clark Hill PLC as Bankruptcy Counsel* (the “Application”), at which time and place you may appear if you so desire

THIS MOTION WILL BE PRESENTED AND HEARD TELEPHONICALLY. No personal appearance in court is necessary or permitted. To appear and be heard telephonically on the motion, you must set up and use an account with Court Solutions, LLC. You can set up an account at www.Court-Solutions.com or by calling Court Solutions at (917) 746-7476.

PLEASE TAKE FURTHER NOTICE that, pursuant to General Order No. 20-03, any party that objects to the relief sought in the Motion must file a Notice of Objection no later than two (2) business days before the date of presentment. Please be advised that if a Notice of Objection is not timely filed, the Court may grant the Motion without a hearing before the date of presentment.

Dated: July 7, 2020

Respectfully submitted,

**BHF CHICAGO HOUSING GROUP B, LLC
(ICARUS)**

By: /s/ Kevin H. Morse

One of Its Proposed Attorneys

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**UNITED STATES BANKRUPTCY COURT
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BHF CHICAGO HOUSING GROUP B, LLC)	Case No. 20-12453
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**APPLICATION TO AUTHORIZE THE RETENTION AND EMPLOYMENT OF
CLARK HILL PLC AS BANKRUPTCY COUNSEL**

BHF Chicago Housing Group B, LLC (Icarus), debtor and debtor in possession (collectively, “Debtor”), by and through its undersigned counsel, hereby submits this application (the “Application”) for the entry of an order authorizing the retention and employment of Scott N. Schreiber, Kevin H. Morse, Chad M. Poznansky, Samuel J. Tallman of Clark Hill PLC (collectively, “Clark Hill”) as bankruptcy counsel to the Debtor *nunc pro tunc* to June 15, 2020. The Debtor relies upon the Declaration of Scott N. Schreiber, attached as Exhibit A, and the Declaration of Andrew Belew filed as Docket No. 4. In support of the Application, the Debtor states as follows:

Jurisdiction

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. § 1334. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.
2. The consideration of this Application is a core proceeding pursuant to 28 U.S.C. §157(b).
3. The statutory predicates for the relief requested herein are sections 327(a), 328(a) and 1107(b) of title 11, United States Code (the “Bankruptcy Code”), Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”) and Local Rule 2016-1.

Preliminary Statement¹

4. On June 15, 2020 (the "Petition Date"), the Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the Debtor continues to manage its financial affairs as a debtor-in-possession. No trustee, examiner or committee has been appointed in this Chapter 11 Case.

5. The nature of the Debtor's business and the factual background relating to the Debtor's commencement of this Chapter 11 case is set forth in detail in the *Declaration of Andrew Belew in Support of Chapter 11 Petition, First-Day Motions, and Certain Second Tier Motions* (the "Belew Declaration") filed on June 15, 2020 as ECF No. 4, and expressly incorporated herein by reference.

6. After analyzing the ramifications of filing the Chapter 11 case, and alternatives thereto, the Debtor believes the Chapter 11 case will afford the Debtor the best means of preserving the value of the Property, while securing a purchaser that will stabilize the Property for the community and existing tenants. The Chapter 11 case stands to protect the claims and interests of the Debtor's tenants, creditors, the community, and other parties in interest.

7. The Debtor believes that any significant delay in embarking upon a sale process is likely to have a material adverse effect on the value of the Property given the deteriorating state of the Property and inability to financially respond to the needs of the few remaining tenants.

Relief Requested

8. By this Application, the Debtor respectfully requests that this Court enter an order authorizing the Debtor to employ and retain Clark Hill as its bankruptcy counsel, retroactive to June 15, 2020, pursuant to section 327(a) of the Bankruptcy Code.

¹ Capitalized terms used in this Preliminary Statement but not defined herein shall have the meanings set forth in the Belew Declaration.

9. The Debtor seeks to retain Clark Hill as its bankruptcy counsel because (a) the firm is knowledgeable as to the facts of this case, the interested parties and all relevant information regarding the Debtor; and (b) the firm has extensive general experience and knowledge in the field of debtor's and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code. Accordingly, the Debtor believes that Clark Hill is well-qualified to represent it in this chapter 11 case as its bankruptcy counsel.

Scope of Employment

10. The Debtor requires the services of Clark Hill to represent and assist the Debtor in carrying out its duties as debtor in possession. The Debtor expects that Clark Hill will be called upon to render various professional services, including, but not limited to, the following:

- (a) providing legal advice with respect to the Debtor's powers and duties as debtors in possession in the management of their assets;
- (b) providing legal advice with respect to the Debtor's obligations to taxing bodies and other government agencies;
- (c) pursuing the sale of the Debtor's property, including, without limitation, approval of bid procedures, review and evaluation of alternative bids, negotiations with parties, administration of an auction, appearance at sale hearings;
- (d) providing all real estate services related to the transaction, sale, and transfer of the Debtor's assets;
- (e) pursuing confirmation of a plan and approval of a disclosure statement;
- (f) preparing, on behalf of the Debtor, all necessary applications, motions, answers, orders, reports and other legal papers as required by applicable bankruptcy or non-bankruptcy law, as dictated by the demands of the cases, or as required by the Court, and representing the Debtor in any hearings or proceedings related thereto;
- (g) appearing in Court and protecting the interests of the Debtor before the Court; and

- (h) performing all other legal services for the Debtor which may be necessary and proper in this case.

Compensation

11. Section 327(a) of the Bankruptcy Code authorizes the employment of an attorney to represent the debtor in possession in carrying out the debtor in possession's duties. See 11 U.S.C. § 327(a). Section 328(a) of the Bankruptcy Code authorizes the compensation of a professional employed under § 327(a) "on any reasonable terms and conditions of employment," including on an hourly basis. 11 U.S.C. §328(a). The Debtor will require Clark Hill to render extensive legal services, the cost of which cannot be estimated. Subject to this Court's approval and in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules of this Court and other procedures that may be fixed by this Court, the Debtor requests that Clark Hill be compensated on an hourly basis, plus reimbursement of the actual and necessary expenses Clark Hill incurs.

12. Clark Hill has advised the Debtor that the hourly rates applicable to the principal attorneys proposed to represent the Debtor are as follows:

- | | | |
|-----|--------------------|-------------------|
| (a) | Scott N. Schreiber | \$775.00 per hour |
| (b) | Kevin H. Morse | \$650.00 per hour |
| (c) | Chad M. Poznansky | \$580.00 per hour |
| (d) | Samuel J. Tallman | \$425.00 per hour |

Other persons employed by Clark Hill will render services to the Debtor as needed. Generally, Clark Hill's hourly rates are in the following ranges: Attorneys: \$350.00 - \$990.00 per hour and Paralegals: \$150.00 – \$275.00 per hour. The Debtor understands that the hourly rates set forth above are subject to periodic adjustments in the ordinary course of Clark Hill's business, as the market may require or due to other conditions.

13. Those expenses for which Clark Hill ordinarily and customarily charges clients

include, but are not limited to, mail and express mail charges, special or hand delivery charges, document processing, photocopying services at \$0.10 per page, courier services, overnight deliveries, docket and court filing fees, court reporting charges, and any other incidental costs advanced by the firm specifically for this matter.

Retainer and Carve-Out

14. Clark Hill has already performed an in-depth review of likely professional services necessary to represent the Debtor. This review led Clark Hill to negotiate the use of \$150,000 prepetition from the Earnest Money, deemed the “Earned Earnest Money.” On April 13, 2020, Saybrook Municipal Opp Fund VI LP, the stalking horse bidder, transferred the \$150,000 Earned Earnest Money to Clark Hill. The Earned Earnest Money is non-recourse as to Clark Hill. Additionally, the Trustee agreed to the payment of the Earned Earnest Money to Clark Hill. Clark Hill has no obligation to repay the Earned Earnest Money. Saybrook will only be repaid the Earned Earnest Money from the proceeds of an alternative transaction as a superpriority administrative expense claim senior to all other administrative expense claims, and prior to any recovery by the Trustee under Section 364(c)(1) of the Bankruptcy Code. For the avoidance of doubt, the Earned Earnest Money repayment shall only maintain superpriority administrative expense status against the proceeds of any Alternative Transaction and not against the Debtor’s bankruptcy estate. Clark Hill is holding the balance of the Earned Earnest Money, \$16,159.00, in its client trust account.

15. Clark Hill will be further negotiating, on behalf of all administrative claimants, the establishment of an “Administrative Claim Fund” that will pay for all administrative claims in the case, including, without limitation, all allowed fees and costs of all professionals, including Clark Hill, any committee counsel appointed in this case, and the U.S. Trustee Quarterly Fees.² The

² The Debtor anticipates that certain customary closing costs for the sale of the Property will be borne by the Trustee and paid from proceeds outside the Administrative Claim Fund.

Administrative Claim Fund is intended to cover all fees and costs necessary in the Chapter 11 case or, if unable to cover all administrative claims, the administrative claimants shall share *pro rata* in the Administrative Claim Fund. After application of the balance of the Earned Earnest Money, the remainder of Clark Hill's fees and costs shall be paid from the Administrative Claim Fund.

**Clark Hill PLC Does Not Hold
Or Represent Any Adverse Interest**

16. The Declaration of Scott N. Schreiber, a member of Clark Hill, is attached hereto as Exhibit A.

17. To the best of the Debtor's knowledge and based upon and except as set forth in Mr. Schreiber's Declaration:

- a. Clark Hill does not hold or represent any interest adverse to the Debtor's chapter 11 estate.
- b. Clark Hill is a "disinterested person" as such term is defined in section 101(14) of the Bankruptcy Code.
 - (1) Clark Hill is not a creditor, an equity security holder, or an insider of the Debtor.
 - (2) Clark Hill is not and was not, within 2 years before the Petition Date, a director, officer, or employee of the Debtor.
 - (3) Clark Hill does not have an interest materially adverse to the interest of the Debtor's estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtor, or for any other reason.

To the best of the Debtor's knowledge, Clark Hill does not have any connections with the Debtor, its creditors, any other parties in interest, its attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee, except as set forth in Mr. Schreiber's Declaration.

Notice

18. Notice of this Application has been given to (a) the Office of the United States Trustee of this District; (b) counsel to Trustee; (c) any receiver(s) in possession of the property; (d) the City of Chicago; (e) the twenty (20) largest unsecured creditors of the Debtor; and (f) all parties who have filed appearances or requested notices through the Court's CM/ECF system

WHEREFORE, the Debtor respectfully requests that this Court enter the attached order (i) authorizing the Debtor to retain and employ Clark Hill PLC as its bankruptcy counsel, *nunc pro tunc* to the Petition Date; and (ii) granting such other relief as this Court may deem just and proper.

Dated: July 7, 2020

Respectfully submitted,

**BHF CHICAGO HOUSING GROUP B, LLC
(ICARUS)**

By: /s/ Kevin H. Morse
One of Its Proposed Attorneys

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